

BLUE DOG COALITION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Arkansas (Mr. ROSS) is recognized for 60 minutes as the designee of the minority leader.

Mr. ROSS. Mr. Speaker, this evening as I do each Tuesday evening that the United States House of Representatives is in session, I rise on behalf of the 37-Member-strong fiscally conservative Democratic Blue Dog Coalition.

As you walk the halls of Congress, as you walk the halls of the Cannon House Office Building, the Longworth House Office Building and the Rayburn House Office Building, it is easy to spot an office that belongs to one of the 37 Members of the fiscally conservative Democratic Blue Dog Coalition, because you will find this poster as a welcome mat by each door of a Blue Dog member.

As you can see, today the U.S. national debt is \$8,419,147,820,878 and some change. Your share of the national debt, that is every living man, woman and child, including the children born today, every American citizen's share of the national debt is \$28,134.

As Members of the Blue Dog Coalition, it is what we call the debt tax, d-e-b-t, and that is one tax that cannot go away until this Republican Congress and this administration gets our Nation's fiscal house in order.

Last week, the President made a big announcement about how the deficit really was not as bad as what his White House had first thought and reported it would be. I think the best way to sum up the events of last week can be found in an editorial, July 11, 2006, from the Los Angeles Times entitled "Another Mission Accomplished."

And I will not read the entire editorial, but I think it sets the stage for what we plan to spend the next hour discussing this evening. It starts off like this: "The release of the White House mid-session budget review is an annual event normally marked by a few wonkish observations and the routine updating of various spreadsheets, not by a full-dressed Presidential dog-and-pony show. But President Bush plans to preside today with Members of Congress and invited guests in attendance. By all indications, including his own, in his weekly radio address last Saturday, he plans to turn this into a celebration just in time for the fall campaign."

The editorial from the Los Angeles Times dated July 11, 2006 continues. "This is proof, if anyone still needs it, that this administration is desperate for something to boast about. On Mr. Bush's watch, triple-digit budget surpluses have turned into annual triple-digit budget deficits.

"There is no information in the mid-session report to alter that utterly dispiriting fact. Yes, the report is expected to project that this year's deficit will be somewhat less gargantuan than last year's, probably somewhere

between \$280 and \$300 billion versus a \$318 billion shortfall in 2005."

And it concludes, that part of the editorial, by saying, "That is not much to crow about." Well, they are right. Last week the administration released its mid-session review of the budget. And after further examination, let's take a closer look at what the report actually tells us.

The report actually tells us that what we have here is another record deficit. The administration's updated estimate of \$296 billion deficit makes 2006 one of the four largest deficits in our Nation's history. It is hard now to believe that we had a balanced budget in this country from 1998 to 2001. But it did not take this administration and this Republican-led Congress very long to turn fiscal responsibility into record deficits.

□ 2000

As you can see, the largest deficit ever in our Nation's history occurred in 2004 when the Republicans controlled the White House, the House, and the Senate. It was \$413 billion in red ink, in hot checks, if you will.

The year 2003 was the second largest deficit ever in our Nation's history, where, for the first time in over 50 years, the Republicans controlled the White House, the House and Senate, and they gave us the second largest deficit ever in our Nation's history, \$378 billion.

The third largest record deficit ever in our Nation's history again occurred while the Republicans controlled the White House, the House, and the Senate. It was in 2005, and it was \$318 billion deficit, the third largest deficit ever in our Nation's history.

Then this year, the President has a press conference, has a grand ceremony and event to announce that the deficit for fiscal year 2006 is only \$296 billion, the fourth largest deficit ever in our Nation's history. I think the editorial in the Los Angeles Times had it right when it said that is not much to crow about.

The administration's updated estimate of \$296 billion deficit, as I indicated, makes 2006 the fourth largest deficit ever in our Nation's history.

While this number represents an improvement over the 2005 deficit of \$318 billion, it still ranks as the fourth largest deficit ever in our Nation's history. These revised estimates do not account for the extent of our budget problems, because they include in the calculation the annual surpluses in Social Security.

The first bill I filed as a Member of Congress when I got here in 2001 was a bill to tell the politicians in Washington to keep their hands off the Social Security trust fund. This Republican Congress refused to give me a hearing or a vote on that bill, and now we know why, because they are raiding the Social Security trust fund to fund tax cuts for those earning over \$400,000 a year.

They are raiding the Social Security trust fund to fund this out-of-control deficit, this out-of-control debt, this reckless spending that we are seeing occurring in our Nation's capital and the way the Republican leadership is running our government and this country. In fact, when the Social Security surplus is excluded, as it should be, the 2006 deficit is not \$296 billion; it is \$473 billion.

Now, throughout the evening we are going to be talking more about this, including projected surpluses, and how they became huge deficits. I will talk more about that in a little bit, but I have been joined this evening by the cochair for policy for the Blue Dog Coalition, JIM COOPER from Tennessee. Glad to have you with us this evening.

Mr. COOPER. Thank you. I thank my good friend from Arkansas, and I appreciate your excellent summary of our fiscal situation.

Because Americans lead busy lives, we were happy to get a little bit of good news last week, or what we thought was good news. The President and the administration certainly built it up as if it was good news. I am glad that the deficit is looking a little smaller than the White House had predicted. That is good news, and I appreciate that.

But it is still very important for Americans to put that in perspective. As my friend from Arkansas points out, it is good news, and it is not the largest deficit in American history; it is only the fourth largest deficit in American history. So that is something to be grateful for.

But it reminded me a little bit of telling somebody, hey, the good news is your cancer is in remission. Well, that is good news. It is good news the cancer is in remission, but the bad news is you still have cancer.

What we are concerned about as Blue Dogs is not a temporary deficit. Sometimes the Nation has to run a temporary deficit. What we are concerned about are permanent structural deficits, deficits that grow beyond our possible ability to repay the debt, deficits that strangle economic growth, that prevent us from building a stronger country for our kids and grandkids.

We are worried about deficits that hurt the middle class, because as my friend from Arkansas mentioned, there is a \$28,000 per citizen tax on everyone in America, man, woman or child. That is a lot of money to be born owing the country before you even have a chance to grow up or earn a living.

But I know there are some folks out there who are watching us, and they are saying, well, the Blue Dogs, they are only mentioning absolute deficit dollars. They are not putting it in perspective with gross domestic product. I would agree that is a percent of GDP; we should look at it that way too. You can say, well, this is not a percent of GDP, the largest or even the fourth largest deficit in American history.

But I brought along a document to-night that I hope everyone in the country will pay attention to. I first saw it when it was in the Wall Street Journal a few weeks ago. It is a document not from the Republican Party or the Democratic Party or anybody connected with politics. It is a document from one of the Nation's leading business organizations called Standard & Poor's. Now, they are a Wall Street outfit, but they are supposed to be the neutral judges of all the debt from all the corporations, and all the debt from all the countries, and all the debt from all the States and cities and towns in America and around the world, S&P, it is called, Standard & Poor's.

Well, they issued this document on June 6, 2006. To read this document, you wouldn't dream that any President of the United States could have a press conference a few weeks later championing good news. Because what Standard & Poor's says about America is this, it says that we are in such bad fiscal shape, and getting worse every year, that by the year 2012, which isn't that far away, it is just 5 or 6 years away, that America will lose its AAA credit rating for the first time in our modern history.

Now, American Treasury bonds, bills and notes are considered basically the gold standard of all debt instruments on the planet.

If you need to put your money in a safe and secure place and you want it to earn interest, Treasury bonds are safer than putting it in any bank as a deposit or putting it anywhere else, because they are backed by the full faith and credit of the United States Government.

There is no sounder financial instrument than the U.S. Treasury bond, and we should be proud of that.

But what Standard & Poor's is saying, as a result of the deficits my friend from Arkansas is talking about, in just 5 or 6 years, we will lose our AAA credit rating. Now that is not just like getting, say, an A minus instead of an A in class. What it means is higher interest payments.

It means that every time that America borrows money in the future, possibly forever, we will have to pay more for it. Because the good part about being a solid credit risk is that you pay the lowest possible rate of interest. You are able to borrow money cheap. But by losing our AAA credit rating, our interest rates are going up.

There is another bad part to this S&P report. Again, this is not a political report; this is from one of America's leading business organizations. It says that by the year 2020, which isn't that far away either, that our Treasury bonds will basically be junk bonds, or what they call below investment grade.

Now, that is such a far cry from our current AAA rating, the rating that U.S. bonds have had for all of modern American history; it is a literal tragedy to see America go from AAA ratings down to junk bond ratings in just

a few short years as a result of the work of one administration, the current administration.

Because even though the current administration will be out of office in 2008, the impact of their fiscal policies stretches for decades beyond their time in office.

That is why this S&P report is so significant. They state carefully that it is not a prediction. They are hoping, and I suppose praying, that America will change course drastically from what we have seen from the current Republican administration.

But they do say that although it is not a prediction, it is a simulation of what will happen if we don't change course.

So it is a lot like that famous old ship, the *Titanic*. When they saw the iceberg in the distance, did they change course? No, they hit it head on.

Well, America still has a few short months and years to change course before we hit the iceberg that literally destroys America's credit rating and forces us to borrow money at much higher rates of interest, possibly for the rest of American history. That is permanent structural damage to our economy. Permanent structural deficits caused that damage that hurt the outlook for our kids and grandkids.

So I hope that people will go to the Internet, check out the Standard & Poor's Web site, look for this publication dated June 5, 2006, and check it out for yourself. Some of it is written in fairly technical business language. You will see that a number of nations face the problem that we do in America of an aging population. Some nations face it more severely than we do. But we are in such a fundamental imbalance that it is important to note that one of the primary causes for that imbalance is actually the crowning achievement of the Bush administration domestic policy.

They cite specifically the U.S. position has worsened since 2003 because of the new drug benefit added to Medicare, which increases estimated health care costs by nearly 2 percent of GDP annually by 2050 and accounts for one-quarter of the rise in spending on the elderly.

Now, we all want seniors to have medicine. Medicine needs to be affordable. But the Wall Street Journal pointed out in their editorial that in the Bush legislation that Congress passed and was signed into law that only \$1 out of \$16 by that bill would only actually buy medicine, only \$1 out of every 16 would go for its intended purpose.

Mr. ROSS. The gentleman from Tennessee makes an excellent point about how we have gotten into this mess with these record deficits. This Republican Congress, this administration, gave us a so-called Medicare part D prescription drug plan. We all want our seniors to be able to have access and be able to afford the medicine that they so desperately need.

I thought that we were going to pass a bipartisan meaningful benefit for our seniors, but instead we passed a bill that was written by the big drug manufacturers. In fact, the chairman of the committee writing the bill at the time left the committee and took a multimillion dollar job as the head of PhRMA, the association in Washington D.C. that represents the big drug manufacturers.

Now, every State in America, through its Medicaid programming was negotiating with the drug manufacturers to reduce the cost that those States paid for the Medicaid program.

When this Medicare part D program became law, they shifted Medicare-eligible seniors that were poor enough to be on Medicaid away from Medicaid and on to Medicare and into a bill that actually has language in the legislation.

I thought this was going to be a bill to help our seniors with the high cost of medicine. But this legislation included language that said the Federal Government shall be prohibited from negotiating with the big drug manufacturers to bring down the high cost of medicine. So we shifted that cost from the States and, more importantly, from the big drug manufacturers, because every manufacturer out there was giving rebates to the States to help offset the costs to the program and to a Federal program where the Federal Government is prohibited from negotiating with the big drug companies to bring down the high cost of medicine.

We are seeing, as a result of that, our seniors not really getting that good of a benefit, and yet it is a program that is causing these deficits to go up.

Mr. COOPER. Today's news revealed that that bait-and-switch provision that was in the Medicare drug bill would add \$2 billion in additional profits to our drug companies this year.

□ 2015

Two billion, billion with a B as in boy, and that is all as a result of this sleight of hand that was engineered in part by the committee chairman who left public service to go almost immediately to represent special interests, and not just any special interests but the very drug manufacturers for whom he had just passed legislation.

Think of \$2 billion extra profits in one year as a result of this technical switch with a lot of seniors from Medicaid to Medicare, from a program that could negotiate for lower prices to a program that cannot, by law, negotiate for better prices. It is outrageous, and some of the money in that horribly expensive bill has gone not to help seniors get more affordable medicine but to line the pockets of major drug companies.

We are all thankful for the life-saving discoveries they make. We are thankful for the research and development, but I am less thankful for the advertisement and TV ads where things

like that are not helping create new medicines. They are more trying to make money off people's illnesses, and there has got to be a better way.

We live in the greatest country on Earth in the history of the world, and there has got to be a better way to do this so we can live within our means, so we can treat everybody fairly, so we can build a stronger middle class, so we can be strong so we can be the world's only superpower. We are not living up to that potential today.

Mr. ROSS. Mr. Speaker, I thought we would go through a few other charts that we have here and talk a little bit more about this entire discussion about the projected surpluses becoming huge deficits.

When the administration took office in 2001, it had an advantage no administration in recent times has enjoyed, a 10-year projected surplus of \$5.6 trillion. The administration has replaced that surplus with recurring deficits and a record debt.

When the cost of items omitted from the mid-session review are included, the deterioration in the budget between 2002 and 2011 is about \$8.5 trillion. Although these numbers are more positive than the administration's February forecast, which some would argue they inflated again so they could boast now about not having the largest deficit in our Nation's history, but rather having the fourth largest deficit in our Nation's history, they unfortunately do not represent any significant improvement in the long-term budget picture.

Even the administration's 5-year forecast, which omits the cost of certain planned policies, never shows a deficit smaller than \$123 billion. You can see here in 2000 we had a real, actual surplus of \$236 billion. In 2001, we had a projected surplus of \$281 billion, which in the end result ended up being \$128 billion.

And then as you can see, when the Bush administration came here, surpluses were projected for year 2002 through 2006; but, instead, we got deficits, including four of the largest deficits ever in our Nation's history. This was a \$610 billion swing from having the first balanced budget in 40 years to having the largest debt ever in our Nation's history and having the largest deficit ever in our Nation's history for 4 years in a row.

I yield to the gentleman from Tennessee.

Mr. COOPER. Mr. Speaker, we are, like all Americans, acutely aware of the terrible tragedy that happened on September 11, 2001. That changed the world, but we should not make the mistake of thinking that it gave us all these deficits because that claim, that belief would not be true. It hurt our economy temporarily, but we were already pulling out of a shallow recession, and we have not been in a recession since. So you cannot blame our overall economic condition for that.

What it is the result of, and again, do not take our word for it, read the re-

ports from the Heritage Foundation, a conservative foundation think tank here in Washington; read the reports of the CATO Institute, a libertarian organization, and they will tell you, they will demonstrate to you that the Bush administration is the biggest-spending administration since at least Lyndon Baines Johnson and probably even way before LBJ.

It has nothing to do with defense or homeland security, budget needs that are really set more by our enemies than by ourselves. It has everything to do with a wasteful and mismanaged and sometimes incompetent government like we saw in Hurricane Katrina relief.

That is a waste of taxpayer money. That is a shame for everyone because no one wants to pay more taxes. We are not for more taxes. We want every tax dollar to be spent wisely so the taxpayers think their government is on their side instead of working against them, but we really have not been seeing that and especially with these deficits.

Adding these taxes to our kids and grandkids, a tax that can never be repealed, a debt tax as the gentleman so ably described it a while ago, is limiting our growth in future years. It is crippling America's future potential. As I showed with this S&P report, it is destroying America's credit rating, and yet the administration holds triumphant press conferences as if they are announcing good news.

A lot of folks think maybe we have been cured, but the cancer is still there, and we have got to get at that cancer.

Mr. ROSS. This administration has told us for 5½ years now that if you cut taxes on folks earning over \$400,000 a year, I do not have a lot of folks in my district who earn that kind of money, but this administration, this Republican-led Congress, for 5½ years has been telling us about that trickle down business, that if you cut taxes on those earning over \$400,000 a year, it will eventually trickle down to everyone else and stimulate the economy and bring in new revenues and, therefore, a stronger economy and a stronger government.

Well, as you can see here, the realistic estimate shows a bleak deficit outlook for those tax cuts for people earning over \$400,000 a year. All they have gotten us is in the business whereas of today our Nation is borrowing \$1 billion a year, 45 percent of which we are borrowing from places like China, Japan, Hong Kong and Korea and, oh, yeah, OPEC nations.

In fact, these tax cuts for folks earning over \$400,000 a year, what they have gotten us is not only a record debt and record deficit and in the business of borrowing \$1 billion a day. It has also resulted in our Nation spending a half a billion dollars every day simply paying interest on the debt we have already got.

Again, as Blue Dog members, fiscally conservative Democrats, we coined the

phrase the "debt tax," D-E-B-T, which is one tax that cannot be cut, cannot go away until we get our Nation's fiscal house in order.

As you can see, we had actual deficits back in the 1980s and the 1990s; and then in 1998, under the leadership of President Clinton, we popped into a surplus, first time a Democrat or Republican had done that in 40 years. We saw a surplus. We saw a balanced budget from 1998 through 2001, and then look what happened, and then tax cuts for those earning over \$400,000 a year, and we started seeing record deficits.

This administration, this Republican-led Congress have given us four of the largest deficits ever, ever in our Nation's history. The administration's estimated future deficits failed to include the full cost of items on its agenda; and once likely costs are included, the deficit is never better than \$229 billion for the foreseeable future.

The true state of the budget is worse than the administration's forecast depicts because it omits certain costs. When realistic adjustments are made for omitted items, annual deficits never improve to better than \$229 billion for any year over the next decade, and by 2016, the deficit grows to \$444 billion.

I think it is important to note that the administration's new estimates for the war in Iraq and Afghanistan reflect a total of \$110 billion for 2007, \$60 billion more than the President's February budget. However, beyond 2008, the administration provides no further funding for these efforts. It is like the White House is telling us that everything will be rosy in Iraq, Afghanistan and all of our troops will be able to come home by 2008.

It is time for some truthful budgeting in our government. Based on a model presented by the Congressional Budget Office, CBO, costs for military operations in Iraq and Afghanistan could run as much as \$371 billion over the next 10 years, from 2007 to 2016, and this calculation is likely conservative.

I have Middle East experts at the State Department telling me that we will be in a situation that is costing us billions of dollars in Iraq at least for 10 years, some believe for as much as 30 or 35 years; and yet this administration can look the American people in the eye with an honest look and an honest face and say that there is no reason to budget for the war beyond 2008.

It is time for this administration and this Republican-led Congress to be truthful with the American people and to give this government, to give the people of this country an honest budget.

The report also estimates that the President's plan to partially privatize Social Security will worsen the unified deficit by \$721 billion over the next 10 years.

Finally, the report does not include the cost of addressing Medicare physician payments which must be addressed. A long-term fix could cost

from \$127 billion to \$275 billion over the next 10 years in the absence of other policy changes, another omission from the numbers presented to us in this mid-year report that the President presented last week.

I am also joined this evening by our cochair for communication with the 37-member strong fiscally conservative Democratic Blue Dog Coalition, and that is the gentleman from California (Mr. CARDOZA) who I yield to.

Mr. CARDOZA. Mr. Speaker, I would like to thank my colleague from Arkansas (Mr. ROSS). You have been so gracious to lead the Blue Dog effort here on Tuesday nights for several weeks now, and I consider it an act of patriotism what you are doing here because, truly, it is something that the American people must know, and it is what we will do to strengthen our country and our fiscal order if we can simply pass half of the accountability measures that the Blue Dogs have put in place, the 12-step Blue Dog program that I am sure you have talked about tonight because you have talked about it so many times on the floor. Hopefully, the American people are listening and the Congress is listening that we must, in fact, bring accountability to our government.

As you said, the Blue Dogs have been fighting for greater accountability in Washington for over 10 years now. We have argued for a return of pay-as-you-go budgeting to balance our budget. And as I said, we offer a 12-step reform plan to cure our Nation's addiction to deficit spending.

We have argued that all earmarks should require written justification from a Member of Congress before being considered, and now the Blue Dogs have authored and endorsed two bills that strike at the heart of this administration's mismanagement and its fiscal mismanagement of our government.

We have introduced the Blue Dog accountability package, and one is a bill that I authored which requires the reconfirmation of any Cabinet official whose agency cannot produce a clean audit for 2 consecutive years.

The second piece of legislation, written by our colleague from Tennessee (Mr. TANNER) requires an oversight hearing 60 days after the Inspector General reports waste, fraud and abuse above \$1 million in any Federal Department.

I would like our audience tonight to consider these facts: in 2004, the Federal Government spent \$25 billion of everyone's tax dollars, yours, mine and everyone else who pays taxes in America, \$25 billion that it cannot account for.

□ 2030

Now, Mr. ROSS, you and I, when we write a check out of our account, we have a check stub. But for some reason the Federal Government has lost \$25 billion in check stubs. They are our tax dollars.

That same year, 2004, only six of the 63 Pentagon departments were able to produce a clean audit, about 10 percent.

For 2005, the General Accounting Office reports that 19 of the 24 Federal agencies can't produce a clean audit or fully explain how they have spent our taxpayer dollars.

In March of 2005, the Veterans Affairs Inspector General issued a report calling for agency information systems to be upgraded for security purposes. As you probably know, no action was taken; and since that time, the personal information of millions of our veterans has been stolen or lost, putting millions of our veterans' personal information and virtually their financial history in jeopardy.

Mr. ROSS. Will the gentleman yield?

Mr. CARDOZA. Certainly.

Mr. ROSS. Actually, my office received a call today from the GAO, and I have got some good news. We have been saying, I have been saying, that the GAO reported that 19 of 24 Federal agencies were not in compliance with all Federal accounting audit standards and could not fully explain how they had spent taxpayer money appropriated by Congress. I am here to correct that. The GAO convinced me today that that statement is not true. Here is what they tell me is true: that the GAO reports that 18 of 24, not 19; 18 of 24 major Federal agencies have such bad financial systems that they don't even know the true cost of running some of their programs. I don't really see the difference, one sounds about as bad as the other to me, but the good news is we no longer have 19 of 24 major Federal agencies that can't produce a clean audit. Instead, we have 18 of 24 major Federal agencies that have such bad financial systems that they don't even know the true cost of running some of their programs.

And yet Republican leaders in this Congress did not force these agencies to fully account for how the money was being spent before doling out billions more of taxpayer dollars for the same programs. And that is why I am so proud of our 37-member strong, fiscally conservative Democratic Blue Dog Coalition for coming forward, not just to criticize the Republican leadership on this. You can bet we are going to hold them accountable. But we are going to do much more than that.

We have offered up a bill, it is led by one of the founders of our Blue Dog Coalition, Mr. TANNER of Tennessee, and you have been discussing that bill in your comments tonight, and I appreciate you doing that. It is about accountability, and it is about restoring some common sense and accountability to our government.

And with that I will yield back to the gentleman from California.

Mr. CARDOZA. I thank the gentleman for the correction. I am not sure that 18 out of 24 is a whole lot better than 19 out of 24. Maybe they got one of the little departments to come into compliance. I think the year be-

fore I think it was 16 out of 24 or 23. So it is sort of like the Bush deficit numbers. You inflate them one year so you can show improvement the next. It boggles my mind that they can't find \$25 billion in check stubs. You would think that they would be able to do that. But I guess when they think it is not their money, they are not so worried about it. But I have got to tell you, I am worried about it, and I know you are, Mr. ROSS, because when we lose the confidence of the American people for our voluntary tax system that we have, and when people don't think that their money is going to be used the correct way, I think this Nation is in serious, serious trouble.

Mr. ROSS. I share your concern because we have been sent here. We have been sent here by the people to be their representatives. And part of being their representatives is to ensure that their tax money is being accounted for and being spent in a meaningful way and in a way that we would deem responsible.

It kind of reminds me growing up at that little country Methodist church just outside of Prescott in Hope, Arkansas, Midway United Methodist Church. I still try to get back there every year for homecoming. My parents still go there. My mom still plays the piano there.

And growing up there at Midway United Methodist Church, every Sunday I heard the preacher talk about being a good steward. Being a good steward. And I think that the American people have sent us here and expect us to be good stewards of their tax money and make sure that it is being accounted for and make sure that it is being spent in a responsible way, a way that will help lift people up, a way that will invest in their children and their education and their future. And that is why I am so very concerned about this.

That is why we are pleased to offer up a 12-point plan for budget reform, to cure our Nation's addiction to deficit spending. That is why, as Blue Dog members, we are pleased to offer up this accountability plan under the leadership of Mr. TANNER, one of the founders of the Blue Dogs, and that is why I am so pleased to be a part of your legislation, Mr. CARDOZA, another part of our Blue Dog package, to basically tell Cabinet-level agencies that Mr. Secretary, Madam Secretary, if you can't produce a clean audit, then you have got to go back to the Senate and have a reconfirmation hearing.

And there is another bill that you have got that I am real proud of, and that is, again, about being good stewards, about the public trust that is being placed in us to come here and to represent the people from back home. They place a lot of trust in us. And when we violate that trust, when we break the laws that we helped write as Members of Congress, we shouldn't be held to the same standards as every other citizen in this country. We should be held to a much greater standard. And we should have to serve even

longer prison terms and have even bigger fines than everyone else, because if we are going to come here and violate the public trust and break the laws that we helped write, we should be held to an even more strict standard.

And I am proud of the bill that we have on that. And I will yield to the gentleman from California to describe that piece of legislation.

Mr. CARDOZA. I thank the gentleman. And in fact I will describe it. But before I do, I just want to say one thing. You know, you talked about your growing up in rural Arkansas. I grew up in rural California. My grandparents were all Portuguese immigrants. They all naturalized, became legal citizens, proudest day of their lives was when they got their citizenship papers. And they imbued in me and my parents, who couldn't speak English when they were growing up, a sense of duty and responsibility. And you did the right thing.

I will never forget my grandmother, she wasn't so excited when I got into politics because she said, you know, DENNIS, that is a dirty game sometimes. And if you are going to get in that business, you just make sure you do the right thing.

And when I introduced the legislation that you described, it is really holding us to a higher standard. And the legislation says that if you break the public trust and you enrich yourself while you are standing here in the Halls of Congress that you would have to serve the time that you would get convicted for fraud or for all the other kinds of things that you can do to get put in jail, but you would have to serve a sentence enhancement for two additional years because you broke the public trust, the trust that the people gave you when you signed up to run for this office.

And I hold that sentiment very strongly, that that is something that we should all stand up and be held accountable to a higher standard if we are going to take the oath of office. So I thank you for raising that issue and that I could talk about my bill tonight.

I want to also tell you that the work that we are doing with regard to oversight and demanding that this Congress do oversight, that is one of the fundamental jobs of Members of Congress, to hold hearings and to examine where our tax dollars are going. And we simply, as a Congress, are not doing that anymore. It is part of the problem with having one-party government that there is nobody to hold it accountable. And we can't get the power of the subpoena to go in there and look and see what is going on. And we need to examine the books. We need to audit the books in a more effective way. We need Mr. TANNER's bill that says if the Inspector General finds fraud and abuse, that we will, in fact, do a hearing in the Halls of Congress. And I see you putting up a poster.

Mr. ROSS. You have been there.

Mr. CARDOZA. I have been there. We went together, and we saw, talk about

waste, fraud and abuse. What we could do for \$1 billion in this country is just amazing. We can educate so many kids, send our kids to college. We can do so much good for \$1 billion. And here we are looking at about a half a billion dollars. You tell the story, Mr. ROSS, because this is in your district. You took me down there. We did some uncovering of some waste, fraud and abuse.

And I will yield back to the gentleman from Arkansas.

Mr. ROSS. I just want to quickly make the point as I do every Tuesday and I am going to as long as these things are still down there. But the reason that we have House Resolution 841 by Mr. TANNER and those of us in the Blue Dog Coalition, this is a bill about accountability and about holding agencies accountable. This is why we need legislation to restore accountability within our government.

I don't know how good you can see this, Mr. Speaker, but this is the airport in Hope, Arkansas. Hope used to be known for something else. Now we are known for the trailer houses, mobile homes, manufactured homes. As you can see, this is an active runway at the Hope Airport. And these are old World War II proving ground runways that are no longer being used. So FEMA decides they are going to go out and buy about 20,000 brand-new, fully furnished, microwaves built in, whirlpool tubs built in. We have been in them. We have seen them.

Mr. CARDOZA. Jacuzzi tubs. It is amazing.

Mr. ROSS. I don't know if they are Jacuzzi brand but they are whirlpool.

Mr. CARDOZA. That is what we call them where I come from, even though that might not be the brand.

Mr. ROSS. They are fully furnished, 16-foot wide, 60-foot long mobile homes, about a half a billion dollars worth of them. And they are parked here at the airport in Hope, Arkansas. Except the theory was they were going to bring them in and then take them to the storm victims from Hurricane Katrina. We are coming up on the first anniversary of Hurricane Katrina and Hurricane Rita. And so the theory was that they were going to be coming in and then going out. This would be a FEMA staging area.

Well, they all came and never went. And as a result, they quickly filled up these old World War II-era proving ground runways and started parking them just in the hay meadow. I mean, just literally on the pasture.

And then the Inspector General noted that with the rains they were going to start sinking this past spring. Lord knows, we would love to have rain now. It is awful hot and dry in Arkansas.

But FEMA's response was not to get the homes to the people who need them. FEMA's response was to spend 4 to \$7 million putting gravel on 200 acres of hay meadow pasture land at the Hope Airport to keep these mobile homes from sinking.

The bottom line is, if you can't really get a good look at it there, if you have ever wondered what 9,959 mobile homes look like, that is what it looks like. At one time we had 10,777. We finally have got it down to 9,959. But this is a better look of what it looks like. I mean, there is a fence, barbed wire fence and pasture. They are just sitting there on the areas. Here, as you can see, 16-foot wide, 60-foot long, mobile homes; 9,959 of them sitting there at the airport in Hope, Arkansas, 450 miles from the eye of Hurricane Katrina nearly a year after the storm.

Now, FEMA buys these for victims of Hurricane Katrina; and then FEMA says, well, we are not going to put them in a flood plain. Well, everybody that lost their home and their housing in Hurricane Katrina, they lost it because they lived in a flood plain.

It is time to restore some common sense to FEMA, and it is time to find a good use, a responsible use of these 9,959 mobile homes that are simply parked there at the airport in Hope, Arkansas, an example of mismanagement by a Federal agency. Example of mismanagement by the Federal Emergency Management Agency. An example of why we need to restore accountability in our government. And I am not going to let up on this until every single one of these mobile homes that taxpayers have paid for, about \$400 billion worth, are put to good use.

They are not serving anybody any purpose. They are not doing anyone any good sitting in a hay meadow at the Hope Airport in Hope, Arkansas.

This is a symbol of what is wrong with this administration. This is a symbol of what is wrong with this Republican-led Congress. It is a symbol of what is wrong with the Federal Emergency Management Agency.

I yield back to the gentleman from California.

Mr. CARDOZA. The gentleman is absolutely right. And it is interesting that so many of our Departments are run this way. But the Office of the Inspector General for the Department of Homeland Security Department, which FEMA is part of, was quoted recently as saying: "Unfortunately, the Department had made little or no progress to improve its overall financial reporting during the whole fiscal year of 2005." And KPMG accounting firm was unable to even provide an opinion on the Department's balance sheet because the books were in such bad shape.

Another example is the Inspector General for NASA, in its 2005 financial statement said: "In the enclosed report of independent auditors, Ernest & Young disclaimed an opinion on NASA's financial statements for the fiscal year ended September 30, 2005."

□ 2045

The disclaimer resulted from NASA's inability to provide Ernst & Young with auditable financial statements and sufficient evidence to support the financial statements that they did

have “throughout the fiscal year and at year end.”

Basically it is what we were talking about earlier. The Federal Government is writing checks and does not even keep its check stubs. They cannot find \$25 billion of our taxpayers’ money, and then they want to spend more of it. And it is just a crying shame that we cannot do a better job, and it is a crying shame that we are not doing the accounting and the investigative hearings and the oversight hearings that is the job of this Congress. It is an abdication of our duty as Members of Congress, and it is an indication that we need to change the one-party system that we have got going on here because we need to audit the books. It is just a basic fundamental necessity of running a good government. And what it means is that we have gone, like that chart you showed, from a situation where when we had a Democratic President, we were actually paying off the national debt, and now we are going in the wrong direction. We are going into a deep trough, and I see the slide that you have put up now. This is what the resulting action is. First of all, we are not able to do what we need to do for education, send our kids to college, do all the things that we need to do proactively to prepare our country for the next century, but we are having to do instead what you are about ready to talk about, Mr. ROSS.

Mr. ROSS. Since President Bush took office, the amount of foreign-held Treasury debt has more than doubled, increasing from \$1 trillion to \$2.1 trillion, meaning that this administration has already accrued more foreign debt than the previous 42 Presidents combined.

Let me repeat that. This President and this Republican-led Congress has borrowed more money from foreign central banks and foreign investors than the previous 42 Presidents combined.

As you can see here in 2001, the amount of money borrowed from foreign central banks and from foreign investors was \$988 billion. That was troubling enough. In 2006, we are up to \$2.66 trillion that has been borrowed from foreigners. Unlike deficits in earlier years, current deficits have been primarily financed by foreign investors with the rise in foreign-held debt equaling three-fourths the increase in publicly-held debt since the start of the current administration in 2001.

This rise in foreign-held debt is troubling because it makes our economy beholden to foreign creditors and represents another financial burden passed on to future generations. Foreign-held debt is fundamentally different from domestically-held debt, since the interest payments on foreign-held debt flow outside the United States of America and reduce Americans’ standard of living.

The cost of servicing foreign-held debt is high. Local, State, and Federal Government interest rates to foreign

investors totaled \$114 billion in 2005, an amount that will grow rapidly if the Treasury continues to sell debt to foreign investors at the current rate. Compare this to only \$23 billion in foreign holdings in 1993. Today, the debt, the foreign-held debt, is \$2.1 trillion.

And just like David Letterman, I have got a “top ten list.” The top ten current lenders, again, our government is borrowing \$1 billion a day. We keep passing tax cuts for those earning over \$400,000 a year. And where does the money come from? We have got record deficits. Where is the money coming from to give tax cuts to those earning over \$400,000 a year?

Here is the top ten: Japan, our Nation has borrowed \$640.1 billion from Japan; China, \$321.4 billion.

Mr. CARDOZA. Is that Communist China, Mr. ROSS?

Mr. ROSS. Yes.

Mr. CARDOZA. I thought it was.

Mr. ROSS. That would be Red China, Communist China. Our Nation has borrowed \$321.4 billion from China to fund tax cuts for folks earning over \$400,000 a year at home, leaving our children and grandchildren to foot the bill. That may be a tax cut for the wealthiest people in this country now, but it is nothing more than a tax increase on our children and our grandchildren.

The United Kingdom, \$179.5 billion. OPEC, imagine that one, OPEC, our Nation has borrowed \$98 billion from OPEC. And we wonder why gasoline is approaching \$3 a gallon.

Korea, \$72.4 billion; Taiwan, \$68.9 billion; the Caribbean banking centers, \$61.7 billion; Hong Kong, \$46.6 billion; Germany, \$46.5 billion. And get a load of this, rounding off the top ten: Our Nation has borrowed \$40.1 billion from Mexico to fund this reckless spending, these record deficits and this record debt given to us by this Republican Congress and this administration.

Now, as members of the Blue Dog Coalition, why do we raise this issue? We have got just a few minutes left here. We raise it because our Nation is borrowing \$1 billion a day. Never mind that. On top of that, we are spending a half billion dollars a day paying interest on the debt we have already got. That is a half billion dollars a day that cannot go for education, cannot go for health care, cannot go for infrastructure improvements. It has got to go to service the debt. It has got to pay back these foreign countries, these foreign central banks and foreign investors that are funding these record debts and record deficits in this country.

In fact, as you can see here, like interest payments on a family’s credit card, every dollar spent on the national debt is a dollar that does not educate a child, build a road, or keep the Nation secure. Because of recent record deficits, the government’s annual interest payment is the fastest growing category of Federal spending over the next 5 years and has posted double-digit percentage growth for the past 2 years. Interest payments dwarf spending on

most national priorities such as homeland security, education, and veterans health care. By 2011 annual interest payments under the administration’s proposed budget will grow to \$302 billion, a 38 percent increase from the current level. As you can see here, the amount of money we are spending in billions of dollars simply paying interest on the national debt, this is the amount of money going to pay interest on the national debt. This is the amount of money being spent to educate our children. This is the amount of money going for homeland security to keep America secure. And this is the amount of money going to keep our promises to our veterans. America’s priorities are not being met because of this Republican Congress’ reckless fiscal mess.

It is time to put an end to these record debts and record deficits. It is time to restore some common sense and fiscal discipline to our Nation’s government.

Mr. Speaker, if you have any comments, questions, or concerns about what we have been discussing in the past hour, you can e-mail us, Mr. Speaker, at bluedog@mail.house.gov. That is bluedog@mail.house.gov.

I want to thank the gentleman from California for joining me this evening.

As we are out of time, I want to leave you with how we started. When we started this hour, I pointed out the national debt was \$8,419,147,820,878 and that every living soul in America’s share was \$28,134.

Just in the hour that we have been discussing trying to restore some common sense and fiscal discipline to our Nation’s government, this number, our Nation’s debt has gone up another \$41 million, roughly another \$41.666 million.

As members of the 37-member strong fiscally conservative Democratic Blue Dog Coalition, we come to this floor of the United States House of Representatives every Tuesday night to talk about restoring accountability and fiscal discipline to our Nation’s government. We are going to hold the Republican leadership accountable for the reckless spending and the lack of accountability, but we are also going to offer up commonsense solutions to fix these problems, to ensure that we leave this country just a little bit better than we found it for the next generation.

Does the gentleman from California have any closing thoughts?

Mr. CARDOZA. I would just like to say thanks to the gentleman from Arkansas for hosting this once again. We are going to make fiscal responsibility a priority for this Congress. It is a shame that we have not spent more time this year dealing with these matters. Hopefully, we will have some oversight hearings.

Thank you for conducting this, and I just say we will continue to work on it.

STEM CELL RESEARCH

The SPEAKER pro tempore (Mr. PRICE of Georgia). Under the Speaker's announced policy of January 4, 2005, the gentleman from Georgia (Mr. GINGREY) is recognized for 60 minutes as the designee of the majority leader.

Mr. GINGREY. Mr. Speaker, I am happy to be here this evening as the designee of the majority leader talking about something that is hugely, hugely important that we debated on the floor of this House just an hour, maybe a couple of hours ago. And, Mr. Speaker, I am referring, of course, to the issue of stem cell research.

And just to kind of set the record straight, Mr. Speaker, I think my colleagues know that my prior profession was that of a physician, in particular as an OB-GYN doctor, a pro-life OB-GYN practicing in my home State of Georgia for 26 years.

And the President, before I was elected to the Congress in August of 2001, Mr. Speaker, made a very careful, thought-out and prayerful decision in regard to the issue of the utilization of embryonic stem cells for medical research in hopes of providing someday a cure for some of the devastating diseases that we have seen in public service announcements on television. And God rest his soul, I remember when the actor Christopher Reeve was talking about the suffering and his malady. And, of course, there are other conditions such as Alzheimer's and Parkinson's and Type 1 diabetes and things like that. And we do hope and every Member in this body hopes on both sides of the aisle, and the other body as well, that someday we can have our medical research scientists, doctors, develop an ability to treat some of these chronic, devastating diseases. Spinal cord injury certainly is another.

But the President made this decision because people were asking that we take so-called extra embryos from fertility clinics that couples were not going to use. Maybe they had already achieved a pregnancy or several pregnancies and they had completed their family, and yet because of egg retrieval and in vitro fertilization, there were these embryos that they owned, that belonged to them, that were frozen in case they may, indeed, need them at some point in the future. Some couples, of course, would decide that their family was complete and maybe never utilize these frozen embryos. And there was a great push on the President to say, well, look, these are just extra. They are going to be thrown away anyway. The couples have already said they do not want them and they are willing to donate them to research.

And the research we are talking about, Mr. Speaker, is the ability to take those embryos and obtain from them something that we refer to as a stem cell and, by definition, an embryonic stem cell. But to do that, as the President so clearly understood, these embryos were being destroyed. Although it is not an exactly accurate de-

scription, Mr. Speaker, but you may say you just put these embryos in a blender and you churn them up and you centrifuge and at some point you are able to obtain these stem cells from the embryo that have a potential in cell culture, when stimulated in a certain way, to grow into really any tissue of the body.

□ 2100

There are three different germ cell layers. But in essence, if you needed cardiac muscle in somebody who, let's say had a heart attack, and you could go these embryonic stem cells and make them become heart muscle, maybe you could repair that scar on a person's heart. Or if you could stimulate these cells to become nerve tissue, maybe indeed you could help a little child overcome the paralysis of spina bifida, or someone with a spinal cord injury like a very fine Member of this House that suffered a spinal cord injury as a teenager, maybe you can do that.

The President recognized that. But basically what he said to the American people in August of 2001, shortly before 9/11, is we are not going to allow taxpayer dollars to be used for research on embryonic stem cells if it results in the destruction of human life, the destruction of one life, maybe a near perfect life if you allow it to continue to live, in the hopes that you can, in destroying it, take these beginning cells that we call stem cells from the embryo and help somebody else.

Well, the President basically said, Mr. Speaker, and I agreed with him then and I agree with him wholeheartedly today as a pro-life physician and a pro-life Member of this body, there was too much collateral damage. In this instance the collateral damage was the death of that embryo, that little baby, if you will. We call them fetuses, embryo, fetus, but really it is just a little baby.

Today at a press conference, and they have been on the Hill before, but it was so poignant to me, Mr. Speaker, to see some of these so-called snowflake babies, these little embryos from these fertility clinics, these so-called extras.

Well, lo and behold, almost 100 couples were aware of the availability and asked some of these parents who owned those embryos, they were their children and they had the right to throw them away or donate them, offer them up for adoption, and some infertile couples, many of whom we saw today, Mr. Speaker, at this press conference, legally adopted these so-called throw-away, extra, nobody-wants-them embryos.

In two instances, they resulted in twins, identical twins. I saw 3-year-old boys, beautiful boys and 2-year-old identical twin girls, two different couples of these almost 100 moms and dads who have adopted these so-called throwaway embryos.

Mr. Speaker, those two sets of twins that me and some of my colleagues on

both sides of the aisle saw today at this press conference, they could have been in that blender churned up so that their stem cells would have been obtained in hopes of helping somebody else. These precious lives would not exist today.

This President has got a great heart and great compassion and great morality, and he was absolutely right to say we will fund with taxpayer dollars through our National Institutes of Health and our great scientists, we will fund research programs on stem cells, even embryonic stem cells, but not if it means we have got to kill some little baby in harvesting these cells.

Well, the President was right. But last year in this body a couple of our Members sponsored a bill, one from both sides of the aisle, two well-respected Members, I have great respect for both of them, and Members in the other body wanted to bring this back up and felt that because the American public, after watching all of these public service announcements that tug at your heartstrings, felt that, well, you know, why not? You are just going to throw away those embryos.

Of course, these public service announcements didn't talk about the snowflake babies, the children that we saw today. If they had known that, if the public knew that, if they were fully aware of it, then all these polling numbers that we hear, Mr. Speaker, that say, oh, the public wants this, the public demands this, and therefore we have this bill last year, the so-called Castle-DeGette bill, H.R. 810, I believe is the number, and it passes this body. It passes this body with support on both sides of the aisle, but with more Democrats supporting it than Republicans. But, in any regard, it passes.

Now, today the bill passes the Senate. I think they thought they were going to roll the table over there, Mr. Speaker. It barely got the number of votes that it needed, 63, where they require that supermajority in the other body.

So this bill is going to go to the President. It is going to go to the President. It is probably already on his desk, or maybe it will be there tomorrow, and he is going to be expected to vote yea or nay on that bill.

Well, not only do I hope and pray, I have every confidence that this President will stand by his convictions, as he always has, Mr. Speaker, whether we are talking about fighting the Global War on Terrorism or protecting the sanctity of human life, and this President will veto that bill, as well he should.

Now, one of the main purposes of me wanting to speak tonight about values, and there is hardly anything more important in this body that we attend to than the values of this great Nation that we are so privileged to be a part of, we have another bill. We have a bill that was voted on in this body today, and it required by the rules of procedure a two-thirds vote here, and it did